



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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November 14, 2001

Dominique Merz, President  
Knightsbridge Acid Management  
660 Newport Center Drive, Suite 460  
Newport Beach, California, 92660-6405

Re: Reclamation Contracts, Gemstone Mining Inc., The Ruby Violet Sampling Plant  
(E/001/107) and The Red Emerald Mine (M/001/045) Beaver County, Utah

Dear Mr. Merz:

As was discussed in a phone conversation with my staff, enclosed is the Reclamation Contracts for both The Red Emerald Mine and The Ruby Violet Sampling Plant. Please sign both contracts and return as soon as possible. Once the completed documents and the Time Deposits Receipt Accounts are received, copies of all executed documents will be sent to you for your records.

Thank you for your cooperation in finalizing this permitting action. If you have any questions please contact me at (801) 538-5286 or Tom Munson at (801) 538-5321.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program